

PROGRAM PERFORMANCE REPORT

U.S. INTERNATIONAL TRADE COMMISSION



FISCAL YEAR
2003

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Fiscal Year 2003 Program Performance Report for the United States International Trade Commission



Introduction

The U.S. International Trade Commission (Commission or ITC) is pleased to present this Program Performance Report for fiscal year (FY) 2003. The Report was prepared in accordance with the Government Performance and Results Act (Results Act).

The Commission was established by Congress as an independent, quasi-judicial federal agency with broad investigative responsibilities on matters of trade.¹ The agency investigates the effects of dumped and subsidized imports on domestic industries, and conducts global safeguard investigations. The Commission also adjudicates cases involving alleged infringement of intellectual property rights in import trade. Through such proceedings, the agency facilitates a rules-based international trading system. The Commission also maintains the Harmonized Tariff Schedule of the United States and serves as a federal resource where trade data and other trade policy-related information are gathered and analyzed. The information and analysis are provided to the President, the Office of the United States Trade Representative (USTR), and Congress to facilitate the development of sound and informed U.S. trade policy. The information and analysis generally are also made available to the public to promote understanding of international trade issues. A description of the Commission's organizational structure is provided in appendix A.

Mission

The mission of the Commission is to: (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, USTR, and Congress with independent, quality analysis, information, and support on matters of tariffs and international trade and

¹ Many of the functions of the Commission are assigned by statute, e.g., 19 U.S.C. §§ 1332, 1337, 1484, 1671 *et seq.*, 2151, 2252, 2436, 2451, 2451a, 2463, 2704, 3005, 3007, 3010, and 3204.

competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States.

In so doing, the Commission serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy.

Relationship to Other Planning Documents

In accordance with the Results Act, the Commission issues a Strategic Plan, annual Performance Plans, and annual Program Performance Reports. As discussed below, the Commission has also issued an Information Resource Management (IRM) Strategic Plan and is preparing a Strategic Human Capital Management Plan. The Commission is also continuing to link the Strategic Plan with its annual Budget Justification and has combined its latest Performance Plan with the corresponding Budget Justification to form a Performance Budget. The Strategic Plan covers a period of five years and establishes general goals and objectives for the Commission. The Performance Plan for FY 2003 set out performance goals and indicators for that year that correspond to the general goals and strategies in the Strategic Plan, and that define the level of performance to be achieved by the agency in the year. The FY 2003 Performance Plan also described briefly the operational processes, skills and technology, and the human, capital, information, and other resources required to meet the performance goals.

The Commission issued the fifth edition of its Strategic Plan in September 2003 for FYs 2003 – 2008. Although the new edition of the Strategic Plan differs structurally from previous editions, the general goals contained in the plan are similar. The strategies identified in the fifth edition of the Plan generally correspond to general objectives discussed in the previous Strategic Plan.

The Program Performance Report (Report) describes, for a specific fiscal year, the extent to which the Commission has met the performance goals established in the Performance Plan for that year. The Report also discusses any instance in which the agency did not meet a goal, and indicates the actions the agency is taking to ensure that goals are met in the future. The current report covers the Commission's performance in FY 2003, and also discusses for comparison purposes the agency's performance in FYs 1999 – 2002. The Report's structure reflects that of the current Strategic Plan.

Operations and Goals

The Commission has one program activity set forth in the Budget of the United States. However, for the purposes of its Strategic Plan, Performance Plans, and Program Performance Reports, the Commission has divided the agency's functions into five operations that serve the Commission's customers.

The five operations are:

- Import injury investigations;
- Intellectual property-based import investigations;
- Research;
- Trade information services; and
- Trade policy support.

This Program Performance Report for FY 2003 addresses each operation and the goals and indicators established in the FY 2003 Performance Plan.

Human Resources Planning

The fourth edition of the Strategic Plan identified general goals and objectives for human capital planning. The FY 2003 and 2004 Performance Plans set performance goals and indicators in that regard.

During FY 2002, the Commission began the process of developing a human resources (HR) planning strategy. The Commission obtained consultant support for strategic workforce planning and succession management efforts through the Office of Personnel Management's Training and Management Assistance Program. During FY 2003, the Commission worked with a consultant to collect information from all areas and levels of the Commission. This information, analyzed in concert with workforce data, resulted in a draft Strategic Human Capital Management Plan. The Commission anticipates that review, revision, and approval of the Plan will be completed in FY 2004, in accordance with the Performance Plan for that year. The resulting plan will incorporate human capital goals consistent with the President's Management Agenda and provide a framework for resource decision-making to support mission accomplishment in Operations 1 through 5.

Other Management Initiatives

Consistent with the Information Technology Management Reform Act of 1996 (Clinger-Cohen Act), the Commission's planning process includes an IRM component. The Commission has developed an IRM Strategic Plan that portrays how the agency's information technology (IT) investments enable the achievement of its strategic goals. In addition, recent Performance Plans developed similar linkages. The fourth edition of the Strategic Plan contained general objectives that relate to broad IT initiatives. An example of the Commission's recent IT initiatives is the replacement of the agency's Electronic Document Information System (EDIS) during FY 2002 and 2003 with a new system that both maintains agency records electronically and permits members of the public to file documents with, and obtain documents from, the Commission over the Internet. Furthermore, during the same period, the Commission realigned its IT functions and consolidated IT services under the direction of a Chief Information Officer. These changes streamline the IT management structure, make the Commission's processes more citizen-centered, and help accomplish a number of e-Government initiatives currently underway at the Commission, consistent with the President's Management Agenda and the objectives of the E-Government Act of 2002.

Another goal of the Commission is to continue integrating the strategic planning process with the budget formulation process. The FY 2005 Budget Justification that was submitted to Congress in February 2004 includes the agency's performance plan for that year. As such, it constitutes a Performance Budget as contemplated by the Office of Management and Budget's Circular A-11. It is organized according to the Commission's operations, and actual and projected obligations are set out by operation. The Commission obligated \$51.7 million in FY 2002, \$54.2 million in FY 2003, and expects to obligate approximately \$58.3 million in support of its operations for FY 2004. In the sections below pertaining to each of the operations, the FY 2003 expenditures and estimated funding for FY 2004 are provided. These figures represent the direct labor costs charged to the operations, as well as various indirect costs that are allocated to them.²

Reviews and Evaluations

The Commission performs a review of the Strategic Plan on an annual basis. This includes an assessment of the agency's general goals and

² Agency wide administrative support and capital expenditures generally are allocated to each operation based on the share of total direct costs accounted for by the operation.

strategies and how well the agency's operations implement and achieve them. In conducting its FY 2002 annual review, the Commission determined that it would undertake a revision of its Strategic Plan during FY 2003 to further integrate its planning and budget formulation process. As noted above, the agency issued the fifth edition of its Strategic Plan in September 2003. The Commission has also reviewed the goals in the FY 2004 Performance Plan in light of agency performance in FY 2003, and has determined that generally the performance goals in its FY 2004 Performance Plan are appropriate.³

The Commission performs an annual verification and validation of measured performance indicators. For each operation, a senior agency manager serves as Operation Coordinator. Under the general oversight of the Strategic Planning Committee, the Operation Coordinators and Offices supplying the data are responsible for that verification and validation.

The Commission has not conducted formal program evaluations as part of its planning. However, the planning process has benefitted from audits and inspections conducted by the agency's Office of Inspector General concerning various aspects of agency operations. Moreover, the Commission has conducted informal evaluations of various of its functions. For example, an evaluation of the agency's website led the Commission to establish formal guidelines on website Responsibilities and Management. The standards are designed to ensure that all public ITC websites:

- (i) are easily accessible to the public;
- (ii) serve the Commission's mission;
- (iii) provide content and quality that properly reflect the Commission;
- (iv) meet the needs of the Commission's diverse audiences; and
- (v) meet relevant regulatory requirements.

These standards are being used to guide the transformation of the Commission's website from a relatively static information posting device to a dynamic electronic portal to the Commission's operations and products. Under the direction of the CIO, the agency currently is substantially redesigning its website and implementing various management changes.

Currently, the Commission is reviewing the effectiveness of its procedures in antidumping/ countervailing duty (AD/CVD) proceedings. As part of this review, the Commission has sought public comment on its AD/CVD procedures.

³ Adjustments to specific performance goals are discussed below under the respective Operation.

In January 2003, the Commission's new EDIS was made available for electronic filing and other uses such as search and retrieval. In late September 2003, consistent with the Commission's desire to see that EDIS serves party representatives and other customers, the Commission decided to solicit input from external customers regarding the current system and future enhancements. A Federal Register notice requesting comments was published stating that all comments received would be made available on EDIS.

The agency continues to look for opportunities to perform other such evaluations.

Comparison of Actual Performance to Performance Goal Target Levels

The Commission established five general goals and 11 strategies for its five operations in the fifth edition of its Strategic Plan. The strategies correspond to general objectives developed for the previous Strategic Plan. As a result, the annual performance goals created for FY 2003 relate closely to performance goals established for previous fiscal years. Where possible, the Commission developed or identified quantitative indicators for these annual goals and for those in ensuing years. In many cases, benchmarks for these indicators were established in FY 1999 and reported in the Commission's Program Performance Report for that year.

In FY 2003, the Commission met or exceeded the bulk of the quantitative performance goals it set for that year. Other performance goals, which specified meeting established statutory or administrative deadlines, were met in most instances. During the year, the Commission's efforts to meet goals associated with making information available to the public electronically met with mixed results. The Commission continued its efforts to tailor the information posted to the agency website to meet the needs of its customers. However, the availability of documents filed in official investigations was hampered by start-up difficulties encountered in the operation of the new EDIS, as well as limitations associated with the older version of EDIS (which was in operation during the first part of the fiscal year).

The remainder of this report provides a comparison of actual FY 2003 performance to the goals established for that fiscal year and, where appropriate, to baseline measures established in FY 1999. The discussion is organized by operation. Within each of these sections, the

strategies, corresponding FY 2003 performance goals and indicators, and FY 2002 results are discussed.

Finally, the report identifies each specific goal that was not fully achieved and discusses corrective measures that the Commission has undertaken in response. The Commission believes that the performance data included in this report are both complete and reliable.

Guide to Abbreviations Used in the Report

Abbreviations	Meanings
AD	Anti-dumping
ALJ	Administrative Law Judge
APO	Administrative protective order
APEC	Asian Pacific Economic Cooperation forum
Blue Book	<i>Antidumping and Countervailing Duty Handbook</i>
CIO	Chief Information Officer
CVD	Countervailing duty
EDIS	Electronic Document Information System
EC	Office of Economics
ER	Office of External Relations
GC	Office of the General Counsel
HR	Office of Human Resources
HTS	Harmonized Tariff Schedule of the United States
HTSA	Harmonized Tariff Schedule of the United States Annotated
ID	Initial determination by an ALJ
IER	<i>International Economic Review</i>
IND	Office of Industries
INV	Office of Investigations
ITTR	<i>Industry Trade and Technology Review</i>
NAFTA	North American Free Trade Agreement
NTM	Non-tariff measure
OAD	Office of Administration
OIS	Office of Information Services
OUII	Office of Unfair Import Investigations
OP	Office of Operations
Red Book	<i>An Introduction to Administrative Protective Order Practice in Import Injury Investigations</i>
SE	Office of the Secretary
TATA	Office of Tariff Affairs and Trade Agreements
TEO	Temporary exclusion order
URAA	Uruguay Round Agreements Act
USTR	United States Trade Representative
WCO	World Customs Organization
WTO	World Trade Organization

Operation 1: Import Injury Investigations

Operation 1 covers the conduct of the Commission's AD/CVD proceedings, and review investigations under title VII of the Tariff Act of 1930 and global safeguard and market disruption investigations under sections 202, 204, 406, 421, and 422 of the Trade Act of 1974. In addition, the Operation includes activities such as investigations under sections 302 and 312 of the North American Free Trade Agreement (NAFTA) Implementation Act of 1994; investigations under section 129(a)(4) of the Uruguay Round Agreements Act (URAA); and the appellate litigation of challenges to the Commission's determinations.

The Commission's Strategic Plan establishes the following general goal for this operation:

Facilitate a rules-based international trading system and ensure that the U.S. fully benefits from that system by producing high quality and timely import injury determinations based on an effective exchange of information between the Commission and interested persons, an appropriate investigative record, and fair and equitably-implemented procedures.

In FY 1999 the Commission experienced a substantial increase in import injury workload resulting from the new requirement imposed by the URAA to review all existing AD and CVD orders over five years old. That workload carried over into FY 2000 and was completed in FY 2001 for the orders that pre-dated the URAA. However, the decline in such "sunset" reviews in FY 2001 through FY 2003 was partially offset by an increase in new import injury investigations (both AD/CVD and safeguard), with the overall result being a continued high level of activity (table 1-1 and figure 1-1).

Actual expenditures for Operation 1 amounted to \$15.8 million in FY 2003. The Commission estimates that it will obligate \$19.7 million in FY 2004. Performance results for FY 2003 are discussed in detail below.

Table 1-1: Summary of import injury investigations, FY 1999-2003

Type and status	FY 1999	FY 2000	FY 2001	FY 2002	FY2003
Instituted:					
Preliminary Title VII ¹ . . .	15	13	24	15	17
Final Title VII ¹	12	12	15	15	13
Expedited Sunset ²	21	7	2	2	0
Full Sunset ²	28	13	0	3	1
Other ³	6	3	7	2	9
Total	82	48	48	37	40
Completed:					
Preliminary Title VII ¹ . . .	17	9	23	13	19
Final Title VII ¹	11	18	8	18	15
Expedited Sunset	14	17	1	2	1
Full Sunset	7	24	14	2	3
Other ³	4	3	7	3	8
Total	53	71	53	38	46

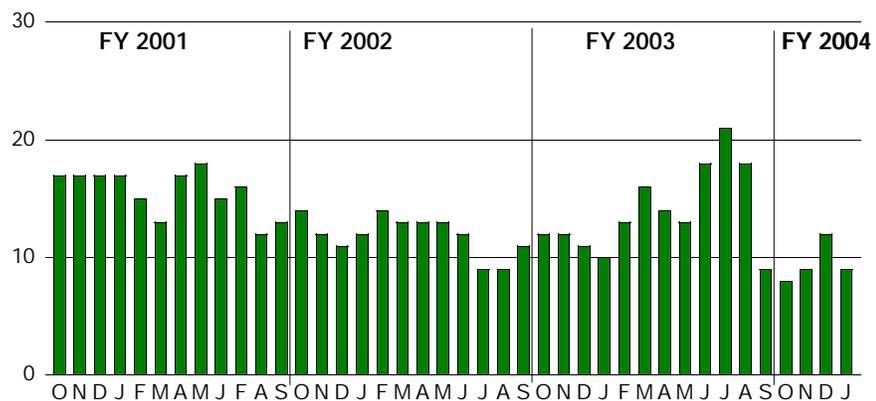
¹ The data shown for preliminary and final title VII investigations group AD and CVD investigations together since these investigations generally run concurrently and are handled by the same investigative team.

² Does not include investigations that were terminated without a Commission determination.

³ Includes global safeguard investigations, China safeguard investigations, reopened remands, and other investigations.

Source: Office of Investigations and Office of Administration.

Figure 1-1: Import injury investigations open, by months, for October 2000 through January 2004



Source: Office of Investigations.

FY 2003 Performance

The Commission established two strategies and corresponding annual performance goals and performance indicators for this operation. The performance results for FY 2003, discussed below, demonstrate that the Commission met the specific performance goals established for the year except with regard to making 90 percent of documents filed in paper form available on EDIS internally within 24 hours.

Strategy 1(a): Conduct appropriate internal review of draft investigation and litigation documents¹

FY 2003 Performance Goals

- a. 75% positive response from Commissioners on availability of data.
- b. 100% of draft staff reports circulated for review.
- c. 100% of draft legal issues memoranda and draft opinions circulated for review.

Performance Indicators²

- a. Commissioner comments on availability of data (INV/GC).
- b. Draft staff reports to investigative team for review (INV).
- c. Draft legal issues memoranda and draft opinions to team for comment on factual accuracy and confidentiality (GC)

¹ This strategy corresponds to General Objective 2 in the FY 2003 Performance Plan – Conduct appropriate internal review of draft investigation documents.

² The offices shown in parentheses are the staff offices responsible for measurement.

Commissioners were polled concerning the availability of data for all investigations conducted during the year. As in previous years, comments offered were favorable, but difficult to quantify.

During FY 2003, all of the draft staff reports, draft legal issues memoranda, and draft opinions were circulated to the investigative team for review. These results compare favorably with those in FY 1999 through FY 2002 (table 1-2).

Table 1-2: Number of documents circulated for review, FY 1999-FY 2003¹

Item	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Draft prehearing and final reports	88	111	81	59	65
Draft legal issues memoranda	48	² 68	52	38	40
Draft opinions	49	69	52	38	40

¹ Differences in the number of documents issued by INV and GC may occur because: (1) in some investigations INV normally is tasked with preparing more documents and (2) in some investigations the parallel INV reports and/or GC memoranda/draft opinions may be outside the designated period.

² One additional memorandum was not circulated for review owing to time constraints.

Source: Office of Investigations and Office of the General Counsel.

Strategy 1(b): Meet statutory and administrative deadlines.¹

<p>FY 2003 Performance Goal</p> <p>100% completed on time</p> <p>Performance Indicator²</p> <p>Reports and determinations (INV) and memoranda and draft opinions (GC) issued on time.</p>
<p>¹ This corresponds to General Objective 4 in the FY 2003 Performance Plan – Meet statutory and administrative deadlines.</p> <p>² The office shown in parentheses are the staff offices responsible for measurement.</p>

During FY 2003, the Commission met all of its statutory deadlines as all 45 determinations were issued on or, in 4 cases, before their deadlines. Further, with regard to administrative deadlines, all 21 prehearing reports; all 44 staff reports; all 40 legal issues memoranda; and all 40 draft opinions prepared during the year were issued in accordance with established or amended agreed-upon schedules. These results are consistent with those in FY 1999 through FY 2002 as the Commission has met this goal throughout the period (table 1-3).

Table 1-3: Number of documents issued on time, FY 1999-FY 2003¹

Item	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Determinations	53	71	57	40	45
Prehearing reports	28	39	28	18	21
Staff reports	58	72	53	41	44
Legal issues memoranda	48	69	52	38	40
Draft opinions	49	69	52	38	40

¹ Differences in the number of documents issued by INV and GC may occur because: (1) in some investigations INV normally is tasked with preparing more documents and (2) in some investigations the parallel INV reports and/or GC memoranda/draft opinions may be outside the designated period.

Source: Office of Investigations and Office of the General Counsel.

Strategy 2: Effectively develop investigative records and provide information on investigations to participants and the public.¹

FY 2003 Performance Goals

- a. Progress is made on improving methods of gathering and processing investigative data.
- b. 2 semi-annual reviews of Operation 1 areas of the website and revisions completed.
- c (1). 98% of documents filed electronically are made available on EDIS internally within 1 hour of filing.
- c (2). 90% of documents, except trial exhibits and questionnaires, filed in paper form are made available on EDIS internally within 24 hours.
- d. Customer survey conducted, 60 percent positive response.

Performance Indicators²

- a. More effective information management methods adopted (INV/GC/SE).
- b. Review of website and revision of content as appropriate (INV).
- c. Entry of documents into EDIS after filing (SE).
- d. Results of customer survey on investigative procedures (INV/GC).

¹ This generally corresponds to General Objective 1 in the FY 2003 Performance Plan – Obtain customer satisfaction with investigative procedures as measured by feedback from users of the process and General Objective 3 – Implement more effective methods, including electronic means, to gather and disseminate investigative records and provide information to Commission investigative processes to investigative participants and the public.

² The offices shown in parentheses are the staff offices responsible for measurement.

During 1999 – 2002, the Commission had and generally met goals to provide information to participants and the public. As the agency's goals in this area have recently changed, the following focuses mostly on FY 2003 performance.

The Commission makes a variety of materials related to import injury investigations available in hard copy form, as well as on its website in a manner that is consistent with established guidelines. This information is reviewed and updated regularly. Of note, the Commission generally updates its *Antidumping and Countervailing Duty Handbook* (Blue Book) and *An Introduction to Administrative Protective Order Practice in Import Injury Investigations* (Red Book) in alternate years. In FY 2002, the Commission updated and published the Blue Book (USITC publication 3482, December 2001) to reflect current Commission policies and procedures, and posted it, along with other information, on the website. The Red Book is currently in the process of being updated.

The Commission will review, and update as necessary, the Blue Book in FY 2004.

Questionnaires used in import injury investigations were examined in detail during FY 2003 and were revised to add standardized questions to address issues that occur on a recurring basis and to eliminate unnecessary or ambiguous questions. Methods of electronically linking spreadsheets to report tables were improved, macros were updated, and training was provided to improve the processing of investigative data.

The new EDIS has resulted in fully 100 percent of documents filed electronically being available to internal staff within one hour of filing, thus exceeding the FY 2003 performance goal. However, the goal of making 90 percent of documents filed in paper form within 24 hours was not met. In FY 2003, 72 percent of all paper form documents were available to all users within one business day of filing. EDIS currently only captures date of cover sheet creation and date of posting for Internet access. The Commission has developed a method to manually track and time a paper form document at each of its processing steps and is planning EDIS system modifications to capture this information electronically. Thus, the Commission will be able to identify bottlenecks or choke points in its procedures and time internal availability of documents separately from external availability. This should facilitate efforts to provide more timely electronic access to documents.

A survey to obtain feedback from users of the Commission's investigative process has been conducted biannually, beginning in FY 1999. The FY 2003 survey was sent to approximately 300 firms and individuals on the Secretary's existing mailing lists for title VII and safeguard investigations. Follow-up with non-respondents resulted in nearly double the number of responses this year as compared with FY 2001. Eighty-nine percent of the responses were favorable. Moreover, on December 4, 2002 the Commission published a notice in the *Federal Register* (67 FR 72221) inviting public comment on specific ways in which it could improve its conduct of antidumping and countervailing duty injury investigations. Based largely on comments submitted by the trade bar, Commission staff held a substantial number of internal meetings during the year to discuss investigative procedures and implemented a number of changes including earlier and more frequent APO releases in preliminary phase investigations, the addition of opening statements by parties in preliminary phase conferences, and the creation of producer and importer questionnaire checklists to reduce common reporting errors.

Also, on November 19, 2003 the Commission published a notice in the *Federal Register* (68 FR 65164) amending its interim rules for investigations relating to alleged market disruption from imports from China, to enhance the agency's ability to conduct such proceedings, and inviting public comment on the amended interim rules. As noted earlier in this report, the Commission also has issued a Federal Register notice requesting comments regarding the current operation of and potential enhancements to EDIS.

Operation 2: Intellectual Property-Based Import Investigations

The Commission adjudicates complaints brought by domestic industries under section 337 of the Tariff Act of 1930 that allege infringement of U.S. intellectual property rights and other unfair methods of competition by imported goods. In doing so, the Commission strives to produce high-quality, detailed analyses of complex legal and technical subject matter and issue determinations that can be successfully defended during judicial appeals. These investigations are conducted in accordance with the Administrative Procedure Act, which affords the parties the opportunity to conduct discovery, present evidence, and make legal arguments before the ALJs and the Commission. The procedures protect the public interest and provide the parties with timely adjudication of investigations.

The Commission's Strategic Plan establishes the following general goal for this operation:

Facilitate a rules-based international trading system by conducting intellectual property-based import investigations in an expeditious and transparent manner and providing for effective relief when violations of section 337 are found and relief is warranted.

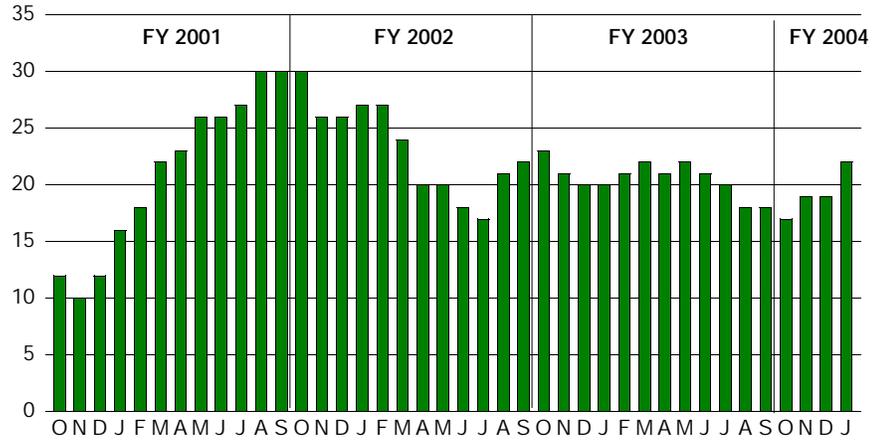
During FY 2003, 41 section 337 investigations and ancillary proceedings were active at the Commission. This number includes 19 investigations instituted in FY 2003 based on new complaints of violations of the statute and 2 new ancillary enforcement proceedings related to a previously concluded section 337 investigation. This represents an increase of more than 60 percent over the number of active investigations in FY 2000. Table 2-1 and figure 2-1 show the workload trends for intellectual property-based import investigations and ancillary proceedings in FY 2003. Actual expenditures for Operation 2 amounted to \$8.3 million in FY 2003. The Commission estimates that it will obligate \$9.2 million in FY 2004. Performance results for FY 2003 are discussed in detail below.

Table 2-1: Summary of intellectual property-based import investigations and ancillary proceedings, FY 1999-2003

Status	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Instituted	12	12	32	16	21
Completed	12	17	10	26	24

Source: Office of Unfair Import Investigations.

Figure 2-1: Intellectual property-based import investigations and ancillary proceedings active, by months, for October 2000 through January 2004



Source: Office of Unfair Import Investigations.

FY 2003 Performance

The Commission established three strategies and corresponding annual performance goals for this operation. Although the section 337 workload remained heavy in FY 2003, statutory and key administrative deadlines for section 337 proceedings continued to be met. The average time required to reach a decision on the merits in section 337 proceedings decreased in FY 2003, and was less than the average time for completion in the three-year period preceding the removal of statutory time limits in 1994. However, in the wake of this year's heavy docket, the time required to complete ancillary proceedings continued to exceed the target time frames set for these proceedings. Significantly, during FY 2003, the Commission implemented its new EDIS which, along with the adoption of other new procedures, allows the public to electronically file certain public documents and search public documents filed with the Commission more rapidly and easily. The new system was made available to the public on January 23, 2003.

Strategy 1: Meet statutory and key administrative and court deadlines, conclude section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings¹

FY 2003 Performance Goals

100% of actions occur on time.

Average length of ancillary proceedings is:

- a. modification – 6 mos.
- b. advisory – 11 mos.
- c. enforcement – 12 mos.

Performance Indicators²

- a. Investigations are instituted, and target dates are set on time; investigations are completed consistent with URAA time frame guidelines (OUII).
- b. Final initial determinations (IDs) and final determinations are issued on their target dates (GC).
- c. In temporary exclusion order (TEO) proceedings, TEO IDs and determinations are issued on time (GC).
- d. Length of ancillary proceedings (OUII/GC).

¹ This strategy corresponds to General Objective 1 in the FY 2003 Performance Plan – Meet statutory and key administrative deadlines and General Objective 2 – Reduce average time to conclude ancillary proceedings.

² The offices shown in parentheses are the staff offices responsible for measurement.

Statutory and administrative deadlines

In FY 1999 and FY 2000, the Commission met all statutory and key administrative deadlines. The results for FY 2001 were the same with the exception of the establishment of a target date in one investigation. In FY 2002, the Commission also met all statutory and key administrative deadlines.

In FY 2003, the Commission met all statutory and key administrative deadlines. Specifically:

- Deadlines for decisions on institution of investigations were met for all new complaints in FY 2003;
- Deadlines for establishing target dates were met for all section 337 investigations instituted in FY 2003 except for one instance where the parties moved to terminate the investigation prior to the deadline for setting a target date.

- Deadlines for issuance of final IDs and target dates for Commission decisions were met for all section 337 investigations completed in FY 2003; and
- No TEO IDs or determinations were due in FY 2003.

Length of investigations

For the 13 investigations commenced between January 1, 1992 and December 31, 1994 (the three-year period before statutory time limits were removed by the URAA) in which the Commission rendered a final decision on the merits of the existence of a violation, the time for completion of an investigation ranged from 9.5 months to 18 months, with an average time for completion of 13.5 months.

Table 2-2 provides summary information regarding the length of investigations during FY 1999 - 2003. Although completion times have varied significantly over the five year period, the average time for completion has been within the time frame guidelines in all but one year.

Table 2-2: Length of investigations, FY 1999 - 2003

Fiscal Year	Investigations Completed ¹	Completion Time (in months)		
		Shortest	Longest	Average
1999	6 (instituted in 1998)	10.5	16.5	12.9
2000	3 (1 instituted in 1998 2 in 1999)	12.0	15.0	13.0
2001	4 (1 instituted in 1999, 1 in 2000, 2 in 2001)	6.0	13.0	8.8
2002	8 (2 instituted in 2000, 6 in 2001)	12.0	18.0	14.8
2003	10 (3 instituted in 2001, 3 in 2002, 4 in 2003)	5.0	19.0	11.2

¹ Investigations in which the Commission rendered a final decision on the merits of the existence of a violation. Thus, these data do not include, for example, cases which settled before a final decision.

Source: Office of Unfair Import Investigations.

It is difficult to draw conclusions or make comparisons with earlier periods respecting time frames for rendering final decisions on the merits in section 337 investigations based on the data regarding investigations concluded in FY 2001. While most final decisions on violations of section 337 are made after trial, only one of the decisions on violation in FY 2001 was reached after trial, with the remaining decisions made on the basis of a summary determination or a default before trial.

While the average time required to reach a decision on the merits in section 337 investigations did increase in FY 2002, the number of new

section 337 investigations and ancillary proceedings instituted in FY 2001 was more than two and one-half times the number instituted in FY 2000. Thus, the increase in the length of section 337 investigations occurred at a time of marked increase in the section 337 caseload. During FY 2002, the Commission hired a fourth administrative law judge to insure the continued expeditious resolution of section 337 investigations in accordance with the URAA.

In FY 2003, the length of these investigations ranged from 5 months (in two investigations where respondents defaulted) to 19 months (in a fully litigated investigation), with an average of 11.2 months. If the three investigations where the respondents defaulted are not included in the calculation, the average length of investigations concluded in FY 2003 was 13.4 months, which still compares favorably with the average length of 13.5 months in the three-year period preceding the removal of statutory time limits under the URAA in December 1994. Moreover, this average length is only slightly greater than the 13-month average achieved in FY 2000, when the number of section 337 investigations active during the year was more than 60 percent below that of FY 2003.

The URAA requires that, within 45 days of the commencement of a section 337 investigation, a target date be set for completion of the investigation. In FY 1999, target dates ranged from 11 to 14 months (excluding a five month target date that was set at the time of settlement), with an average of 12.1 months. For investigations commenced in FY 2000, target dates ranged from 11 to 18 months, with an average of 13.6 months. For investigations commenced in FY 2001, target dates ranged from 11 to 24.5 months, with an average of 14.8 months. However, this increase was relatively moderate given that the number of new section 337 investigations in FY 2001 was more than double that of FY 2000, and that several investigations had to be re-assigned during the year when one ALJ left the agency and another came on board.

Target dates for investigations commenced in FY 2002 ranged from 11 months to 18 months, with an average target date of 13.8 months. Thus, the average target date for cases commenced in FY 2002 was a month shorter than the average target date set in FY 2001, but more than a month longer than the average target date for cases commenced in FY 1999. Also, during FY 2002, target dates in several investigations that began in FY 2001 were extended. Concerns about the lengthening of target dates led the Commission to reject target date extensions sought by an administrative law judge in two investigations during FY 2002 and,

in so doing, the Commission formally re-emphasized the importance of concluding 337 investigations as expeditiously as possible.

For investigations commenced in FY 2003, target dates ranged from 12 to 15 months, with an average of 14 months. Thus, the average target date for cases commenced in FY 2003 was only slightly longer than the average target date for cases commenced in FY 2002, and remained below the average target date for cases commenced in FY 2001. During FY 2003, target dates in several investigations that began in FY 2002 were extended. Again, concerns about the lengthening of target dates led the Commission to reject a target date extension sought by an administrative law judge in one investigation and to shorten the extension proposed by the judge in another investigation.

Length of ancillary proceedings

Putting aside ancillary proceedings that terminated because of intervening events, four formal enforcement and two modification proceedings were instituted during the 10-year period between the start of FY 1989 and the close of FY 1998.⁴ The formal enforcement proceedings took an average of 19.4 months to complete after institution. The modification proceedings took an average of four months to complete after institution.

No enforcement or modification proceedings were commenced in FY 1999 or FY 2000. However, an advisory opinion proceeding commenced in FY 1999 and was completed in FY 2000, taking 14 months to complete. Also, one advisory opinion proceeding was commenced in FY 2000, and that proceeding was completed in 10 months. Because the advisory opinion proceedings instituted between FY 1989 and the end of FY 1998 did not proceed to final decisions, there is no baseline against which to compare the length of this particular type of ancillary proceeding.

A reconsideration proceeding that began in FY 1999 was completed at the start of FY 2001. That proceeding, which was actually more akin to a remand proceeding on substantive issues than to other types of ancillary proceedings, was completed in 25 months. Here again, because of the unusual nature of this proceeding, there is no baseline against which to compare its length.

⁴ The ancillary proceedings that are the focus of this performance goal are advisory opinions, modifications, and enforcement proceedings. A bond forfeiture proceeding was also pending as of the end of FY 2003.

The Commission commenced two ancillary proceedings in FY 2001, an exclusion order modification proceeding and a consolidated enforcement and advisory opinion proceeding. The Commission completed the exclusion order modification proceeding in FY 2002. This proceeding was concluded in 14 months and, thus, took twice as long to complete as the FY 2002 goal for completing modification proceedings, which was seven months. However, this modification proceeding was self-initiated by the Commission and resulted in the vacatur of an exclusion order that had been outstanding since 1983. Moreover, work on the modification proceeding was delayed several times by the necessity to work on more pressing matters. It is believed that the 14 months required to complete this modification proceeding is anomalous.

A consolidated enforcement and advisory proceeding that was began in FY 2001 was completed in FY 2003. This ancillary proceeding required 23 months to complete, and thus exceeded both the performance goal for completing enforcement proceedings and the goal for completing advisory opinion proceedings. Three factors led to the extended length of this proceeding. First, the hybrid nature of the proceeding added to its complexity. Second, the proceeding was remanded to the presiding administrative law judge for several months for reconsideration of the issue of infringement in light of an intervening Supreme Court decision. And third, the parties to this proceeding proved to be unusually litigious. At the end of FY 2003, the enforcement proceeding commenced in FY 2002 and an advisory opinion proceeding commenced earlier in the year were pending.

With the marked rise in the Section 337 caseload that began in FY 2001, it has become increasingly difficult to reduce the length of ancillary proceedings without delaying the resolution of new investigations, which the Commission is required to complete at the earliest practicable time. Given current and projected Section 337 caseload, the feasibility of the goals established for completion of ancillary proceedings will be reassessed during FY 2004 and additional means for shortening the length of proceedings will be examined.

Strategy 2: Effectively provide information regarding investigations to the public as well as to investigative participants¹

FY 2003 Performance Goals

- a. Two semi-annual reviews of Operation 2 areas of the website and revisions of content completed.
- b. (i) 98% of documents filed electronically are made available on EDIS within one hour of filing.
- b. (ii) 90% of documents, except trial exhibits and questionnaires, filed in paper form are made available on EDIS internally within 24 hours.

Performance Indicators²

- a. Review of website and revision of content as appropriate (OU/II/GC).
- b. Prompt entry of documents into EDIS after filing (SE).

¹ This strategy corresponds to General Objective 4 shown in the FY 2003 Performance Plan - Increase information accessible to staff and the public via electronic and other means.

² The offices shown in parentheses are the staff offices responsible for measurement.

Review of website

In FY 1999, OUII compiled an inventory of information on the Commission's website regarding section 337 and established a Section 337 Information Resources web page. In FY 2000, the Commission made additional information pertaining to section 337 investigations available on the Commission's website, including the full text of all outstanding section 337 exclusion orders and cease and desist orders, and a link to EDIS. The Section 337 Investigational History database, which contains information about all section 337 investigations and is accessible through the website, was also updated and supplemented throughout FY 2000 and 2001.

During FY 2002, the Commission again made additional information pertaining to section 337 investigations available on the website. In particular, the Commission substantially updated the Section 337 Frequently Asked Questions (FAQs) pamphlet it has distributed since 1997, and made the new pamphlet available for downloading from the website. A "337 e-mailbox" was also added to further facilitate communications with the public. As in prior years, the Section 337 Investigational History database was regularly updated and supplemented throughout the year. The 337 website working group reviewed website content pertaining to section 337, monitored the implementation of changes to the website, and planned for future website enhancements.

In FY 2003, the Commission continued to update the Section 337 Resources web page and the Section 337 Investigational History. Specifically, the web page was revised to incorporate links to the Commission's new EDIS and to information regarding procedures for electronically filing public documents. The 337 website working group reviewed website content and considered possible future website enhancements.

Document entry

Operation 2 documents that are entered into EDIS fall into two broad categories – 337 filings and evidentiary records or exhibits. Both of these categories are discussed in this section.

Overall, in FY 1999, approximately 40 percent of section 337 filings were scanned within two business days of filing and approximately 60 percent of filings were scanned within four business days of filing. Given both the increase in workload and the limitations of the existing system, the Commission determined that its imaging system needed to be replaced and upgraded to better serve its customers. Accordingly, in FY 1999, the Commission initiated a functional requirements study of its imaging needs, with a view toward procuring a new imaging system.

During FY 2000, SE regularly assessed scanning update rates and continued to work toward established goals. The update rates achieved in FY 2000, though still somewhat below the scanning rate goals, represented a significant increase over the rates achieved in FY 1999. Reasons for not achieving scanning goals included technical problems with the imaging system and the need to hold a substantial number of documents before scanning until confidentiality and other issues were resolved. Work on procurement of a new imaging system for the Commission continued in FY 2000.

During FY 2001, SE again regularly assessed scanning update rates and continued to work toward the scanning goals. The update rates achieved in FY 2001 were below the scanning rates for FY 2000. The decline in scanning rates is primarily attributable to the extremely high volume of filings in both the Steel safeguard case and the section 337 area in FY 2001, which overwhelmed the Commission's aging imaging system. During FY 2001, Commission personnel were engaged in the process of procuring a new imaging system.

In view of the declining condition of the Commission's imaging system, the update rate goals for EDIS were lowered for FY 2002, and in FY 2002,

considerable resources were devoted to replacement of the system. The update rates achieved in FY 2002 were below the revised performance goal established for the year. Several events contributed to this decline in the update rate. Most significantly, the Commission's imaging system was unable to scan for approximately a three week period while problems with the system were diagnosed and then corrected. Moreover, during the year, substantial resources were devoted to support planning and testing for the replacement EDIS system.

By the end of FY 2002, the new EDIS was in final development by the contractor. As noted above, the new EDIS was activated internally in mid-December, 2002 and made available to the public in January, 2003. Thus, performance goals regarding the speed with which documents filed with the Commission are made available electronically were revised for FY 2003 and FY 2004.

Following implementation of the new EDIS, documents that were filed electronically were made available internally immediately. Thus, for much of FY 2003, the Commission exceeded the performance goal of providing internal access to 98 percent of electronic filings within 1 hour. In addition, overall about 72 percent of documents that were filed in paper format were scanned and made available internally within 24 hours of filing. The Commission therefore did not meet the goal of having 90 percent of hard copy filed documents, except trial exhibits, available internally within 24 hours. The shortfall was the result of start-up inefficiencies associated with the new EDIS system and new scanners as well as the need for SE to acclimate to new procedures. As noted in Operation 1, above, the Commission is taking steps to improve performance in this area.

The Commission soon will be considering allowing electronic filing of confidential documents, which would eliminate the need to scan those filings, thereby further facilitating immediate internal access. Finally, SE has already modified the procedures for processing all public filings in preparation for satisfaction of the FY 2004 goal of external access to public documents within 24 hours of filing. Additional reports planned for implementation during FY 2004 will be needed in order to measure the achievement of this goal.

During FY 2003, OUII researched the possibility of purchasing certain litigation support software that would allow for management of transcripts and documents in an electronic database. However, informal discussions with members of the private bar revealed that, for a variety of reasons, the parties in section 337 investigations were unlikely to supply

the documents in the format required by such software. In light of this fact, OUII is again exploring the possibility of leveraging EDIS to perform some or all of the functions contained in the litigation support software.

Strategy 3: Actively facilitate enforcement of exclusion orders¹

FY 2003 Performance Goals

- a. Respond to communications regarding possible violations within three business days.
- b. Issue seizure and forfeiture orders quarterly.

Performance Indicators²

- a. Timely responses to calls and letters regarding purported violations (OUII/GC).
- b. Timely seizure and forfeiture notices resulting from Customs letters (GC).

¹ This corresponds generally to General Objective 3 in the FY 2003 Performance Plan – Address reports of violations of remedial orders in a timely manner and improve communications regarding enforcement of remedial orders .

² The offices shown in parentheses are the staff offices responsible for measurement.

Responses to inquiries

In FY 1999 only one report regarding a suspected violation of a section 337 remedial order was received, and that report received a response within two weeks. In FY 2000, the Commission received a limited number of general inquiries regarding suspected violations. Only two significant reports of purported violations were received in FY 2000 and Commission personnel responded to both of these inquiries within a few days. Similarly, few such inquiries were received in FY 2001. In those instances where complainants contacted Commission staff to discuss possible violations, Commission staff responded promptly to the inquiry, usually within a few days, and, where appropriate, conferred with Customs personnel. Apart from contacts relating to on-going proceedings, in both FY 2002 and FY 2003, only one inquiry was received regarding purported violations of a section 337 remedial order, and both of those inquiries were responded to on the day of receipt.

Issuance of seizure and forfeiture notices

During FY 1999 and 2000, the time between receipt of letters from the U.S. Customs Service regarding attempted entries of excluded goods and the Commission's issuance of the seizure and forfeiture orders ranged from 3 to 15 months. (So that the Commission does not issue seizure and forfeiture orders during the period when protests of Customs

action may be lodged, there is necessarily a 90-day waiting period before issuance of Commission seizure and forfeiture orders.) To reduce the period between receipt of Customs letters regarding attempted entries and the issuance of seizure and forfeiture orders, a goal for issuance of such orders of no more than 30 days after the end of the 90-day waiting period was set for FY 2001.

In FY 2001, the time between receipt of the Customs letters and issuance of seizure and forfeiture orders ranged from 1 month to 11 months, with an average of 4.9 months. The 10 seizure and forfeiture orders issued in FY 2001 were issued, on average, about 60 days after the end of the waiting period. Thus, the average time for issuance of seizure and forfeiture orders was approximately 30 days in excess of the stated goal. New procedures were instituted such that beginning with FY 2002, seizure and forfeiture orders are issued at quarterly intervals, *viz.*, on or about December 1, March 1, June 1, and September 1. It was believed that this new procedure, by adding structure to the process, would reduce the average time for issuance of seizure and forfeiture orders.

During FY 2002, the Commission received three letters from the U.S. Customs Service regarding attempted entries of excluded goods and issued a seizure and forfeiture order based on each of these letters. Use of the new procedure, in accordance with the FY 2002 performance goal for quarterly issuance of seizure and forfeiture orders, resulted in the issuance of one order fewer than 30 days after the end of the waiting period for possible protests of Customs action. However, the other two orders were issued slightly more than 60 days after conclusion of the waiting period. Thus, the new procedure used in FY 2002 did not, as expected, reduce the average time for issuance of seizure and forfeiture orders.

During FY 2003, the Commission received only two letters from the U.S. Bureau of Customs and Border Protection, and one of those letters was subsequently rescinded. A seizure and forfeiture order was issued in response to the second letter 57 days after expiration of the 90-day period during which the importer could have formally protested Customs' denial of entry. Thus, the procedure for quarterly issuance of seizure and forfeiture orders did not in this instance reduce the average time for issuance of such orders. However, this was due to the timing of the receipt of this one letter from Customs, which occurred only about a month after one of the quarterly issuance dates. In a more normal year, when a substantial number of letters are received from Customs, it is believed that the quarterly issuance procedure will result in a shortening of the average time to issue seizure and forfeiture orders. However, the goal of quarterly issuance will be reassessed during FY 2004.

Operation 3: Research Program

The Commission contributes to the public debate on issues concerning U.S. international trade and competitiveness through an extensive research program. The Commission's analysis of trade and competitiveness issues is authorized by section 332 of the Tariff Act of 1930. The Commission's probable economic effects investigations are conducted under the authority of section 131 of the Trade Act of 1974 and section 2104 of the Trade Act of 2002. The Commission, through its research program, also takes the initiative to explore and provide independent assessments on a wide range of emerging trade issues. One of the Commission's long-range goals is to be a national resource of industry, economic, and regional trade expertise for the nation's policymakers and to enhance its position as a recognized leader in independent research and analysis. To this end, the Commission's current Strategic Plan established the following general goal for this operation:

Maintain a research program that provides the Legislative and Executive Branches, as well as the public, with timely research products that are widely recognized for their contribution to sound and informed trade policy formulation.

Table 3-1 and figure 3-1 show workload trends for the Commission's research investigations during FYs 1999-2003. In addition to conducting these formal investigations, the Commission completed 105 research articles, staff papers, and formal presentations in FY 2003. Actual expenditures for Operation 3 amounted to \$18.6 million in FY 2003. The Commission estimates that it will obligate \$18.5 million in FY 2004.

Performance results are discussed in detail below.

Table 3-1: Summary of research program investigations,¹ FY 1999-2003

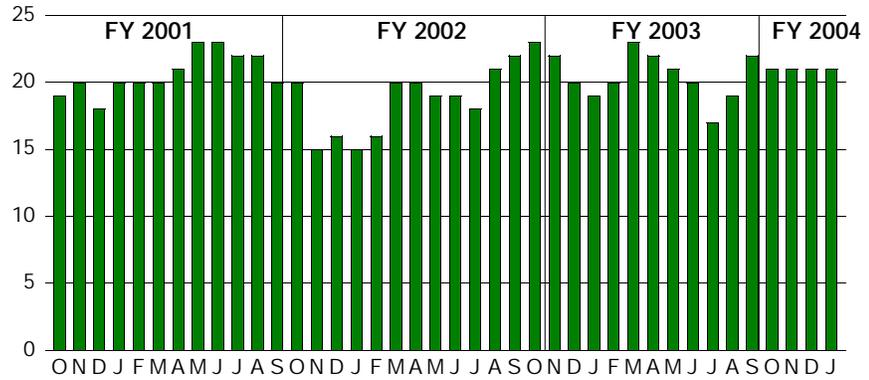
Status ²	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Instituted	10	12	14	17	16
Active	30	31	32	37	39
Completed	11	13	12	14	18

¹ Includes investigations conducted under section 332 of the Tariff Act of 1930, sections 131 and 163(c) of the Trade Act of 1974, and sections 2104 and 2111 of the Trade Act of 2002.

² The data presented for instituted investigations reflect those which were newly instituted in the respective fiscal years. Active investigations refer to all ongoing studies, including the recurring report series. Completed investigations do not include those that are part of an ongoing series (i.e., recurring).

Source: Office of Operations.

Figure 3-1: Research program investigations active, by months, for October 2000 through January 2004¹



¹ Includes recurring investigations.

Source: Office of Industries.

FY 2003 Performance

The Commission established two strategies and corresponding annual performance goals for this operation in the current Strategic Plan. In FY 2003, an important performance goal for this operation was to maintain or increase the use of ITC research capabilities and products by the Commission’s customers and the public. The Commission experienced mixed success relative to its established goals. In 2003, the number of Internet visitors to the Research Program sections of the Commission website increased; there was continued positive feedback from users; the number of active and completed section 332 investigations increased; and all research due dates were met. The number of Internet visitors, with a 21 percent increase, fell short of the 2003 goal of a 25 percent increase. Requests for hard copies of reports were, as in 2002, lower than the goal. However, combined views and downloads of Commission research products from the website continued to increase in FY 2003 (up 12.4 percent over FY 2002). The Commission met or exceeded the other FY 2003 goals established for this operation.

Strategy 1: Effective and timely provision of state-of-the-art research products to customers¹

FY 2003 Performance Goals

- a. 100% of reports on time.
- b.
 - (1) Greater than 25% increase in ITC Research Program related website activity;
 - (2) 1000-1500 requests for hard copies or CD copies of reports;
 - (3) 75% positive response from users on research products;
 - (4) 10-15 new investigation requests.

Performance Indicators²

- a. Section 332 reports to requesters on time (OP)
- b. Positive results from:
 - (1) Level of activity on ITC website (document viewing/downloading);
 - (2) Requests for hard copies or CD copies of reports;
 - (3) Written comments from users;
 - (4) Number of new requests for section 332 investigations. (OP)

¹ This generally corresponds to the following General Objectives in the FY 2003 Performance Plan – General Objective 1: Increase use of ITC research capabilities/products by customers and General Objective 3: Meet deadlines of Legislative and Executive Branches for requested research products.

² The office shown in parentheses is the staff office responsible for measurement.

Timeliness of reports

In FY 1999, 22 of the 23 research reports⁵ met the original or revised, mutually agreed upon deadlines. The Commission improved its record in subsequent years, issuing all section 332 reports to requesters on time or early in FY 2000 (21 reports), FY 2001 (22 reports), FY 2002 (21 reports) and FY 2003 (18 reports). The continuing Commission goal will be to complete all research investigations on schedule.

Activity on ITC website (document viewing/downloading)⁶

The Commission established FY 1999 visitor levels as a baseline for this indicator (i.e., 1999=100). As shown in table 3-2, the growth goal of 25 percent for FY 2003 was not met for the overall site (up 21 percent) or for downloads of research reports (down 1 percent). Given recent past

⁵ Prior to the Trade Act of 2002, these reports consisted solely of requests under section 332 of the Tariff Act of 1930. During FY 2003, research reports also included those requested under section 131 of the Trade Act of 1974 and sections 2104 and 2111 of the Trade Act of 2002. Hence, subsequent references to these reports will be to “research” reports, rather than to section 332 reports.

⁶ Data prepared using software designed to track website usage. These data do not include internal ITC users. The data presented represent an index using 1999 as the base year.

performance in this area the results for FY 2003 are unexpected, suggesting that either the Commission should reexamine its goals and/or consider the performance of its website in the context of other competing or complementary websites on the internet. The enhancements of the Commission's website planned for FY 2003, particularly in the research component, were delayed due to reorganization in the Commission's information technology management offices or functions and the redirecting of significant IT resources to a network replacement. In early FY 2004 a new webmaster was hired and began a significant redesign program for the Commission's web presence. Although this process may not be completed in FY 2004, by FY 2005 the Commission's web presence is expected to be significantly enhanced. The data for FY 2004 and FY 2005 could be particularly revealing regarding the Commission's view of its website as a primary vehicle for information distribution. Preliminary assessments of the Commission's current website identified deficiencies such as non-transparent navigation, limited search abilities, and limited use of keywords and meta tags. The current web design and technology update is likely to address these issues and potentially improve the Commission's web functionality significantly.

Table 3-2: Document viewing and downloading activity, FY 1999-FY 2003

Item	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
	Index, 1999 = 100				
ITC website overall (document views)	100	182	272	390	473
Section 332 investigations and other research:					
Document views	100	146	176	155	205
Document downloads	100	144	223	321	317

Source: Office of Operations and Office of the Chief Information Officer.

Requests for copies of reports⁷

The level of hard-copy report requests in FY 2003, 992, was up slightly over the prior year, increasing 8 percent from FY 2002 (table 3-3), while still remaining below the goal of 1000 - 1500 requests. This result was not unexpected, as use of the Internet has increased over the past few years. Given these trends, the Commission may consider dropping the goal related to the provision of paper copies within the next fiscal year.

⁷ Data prepared by SE using its external request database. These data represent special one-time requests- not regular mailing lists for the various reports. These data also include requests made by ITC staff, since such requested reports are usually forwarded to persons outside the Commission.

Table 3-3: Requests for publications, FY 1999 - FY 2003

Item	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Number of reports					
332 investigations	1,204	873	1,049	739	770
Industry Summaries	259	107	133	43	63
ITTRs	68	96	75	65	101
IERs	58	66	93	62	46
Research studies	73	13	52	13	12
Total	1,662	1,155	1,402	922	992

Source: Office of the Secretary.

Written comments from users

This performance indicator is subjective in nature and is based on a variety of types of feedback, written and other, gathered by project leaders. The results for FY 2003 do not differ significantly from those compiled for prior years.

In FY 2003, the Commission continued its practice of including an “ITC Reader Satisfaction Survey” in each report to solicit reader comments on the value and quality of ITC research reports. As in previous years there were very few responses, even as the Commission added an electronic survey form to its website to facilitate public feedback.⁸ Public feedback during FY 2003, remained positive, as in previous years. Thirty-one responses were received, each with 9 categories, for a total of 279 possible responses. Only one respondent expressed dissatisfaction with a Commission report in only one category (i.e., 1 out of 279.) This particular respondent disagreed that the Commission report was a “primary or leading source of information.”

Direct feedback from USTR and Congressional staff, when received, has been positive, but has often been expressed in general terms. However, the Commission often learns of its reports being used by the requestor in negotiations or as part of the policy decision making process. In addition, USTR and Congressional staff frequently seek followup briefings or other assistance from investigative teams once a study is completed. This type of indirect feedback, which is perhaps a more important indicator of performance, is difficult to quantify in a consistent manner. Examples of studies where positive requestor feedback was received include:

⁸ Given this low level of response, the Commission is considering alternative means for gathering feedback on these studies.

- *The Impact of Trade Agreements: Effect of the Tokyo Round, U.S.- Israel FTA, U.S. - Canada FTA, NAFTA, and the Uruguay Round on the U.S. Economy* (inv. No. TA-2111-1);
- *Oil and Gas Field Services: Impediments to Trade and Prospects for Liberalization* (inv. No. 332-444);
- *Conditions of Competition in the U.S. Market for Wood Structural Building Components* (inv. No. 332-445);
- *Textiles and Apparel: Assessment of the Competitiveness of Certain Foreign Suppliers to the U.S. Market* (inv. No. 332-448); and
- *Steel-Consuming Industries: Competitive Conditions with Respect to Steel Safeguard Measures* (inv. No. 332-452).

In addition, positive customer feedback has occurred in the form of comments from subject industries, telephone calls to discuss reports and seek additional information, requests for briefings, and coverage in trade publications.

Number of requests for research investigations⁹

The number of study requests can fluctuate significantly, varying as a function of international trade negotiating activity, domestic industry trade concerns, and legislative activity (see table 3-4). The latest five-year average is 14 new investigations per year. In FY 1999, the Commission established 10 new investigations as an acceptable annual average. A range of at least 10–15 new investigations per year is now viewed as desirable. In FY 2003, the Commission instituted 16 new investigations.

Table 3-4: Requests for research investigations, FY 1999-FY 2003¹

Requestor	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
USTR	6	7	12	13	13
Congress	4	5	2	4	3
Total	10	12	14	17	16

¹ Includes all formally requested research investigations under the Tariff Act of 1930, the Trade Act of 1974, and the Trade Act of 2002.

Source: Office of Operations.

⁹ Includes all formally requested research investigations under the Tariff Act of 1930, the Trade Act of 1974, and the Trade Act of 2002.

Strategy 2: Implement innovative research methods and address emerging areas and issues¹

FY 2003 Performance Goals

- a. More than 60 initiatives.
- b.
 - (1) Increased use of ITC website (including EDIS) to facilitate public involvement in studies and to disseminate information. Special efforts in FY 2003 include continued development work on a web-based database on foreign Non-Tariff Measures (NTM's), greater use of the enhanced EDIS, implementation of a new on-line survey form, and development of an ITC "Research" web page.
 - (2) Expansion of economic modeling capabilities and use. Special efforts in FY 2003 include development of: (1) a state and regional expansion of the new U.S. general equilibrium model, (2) finalization of the model of the Russian economy and application to examine possible WTO accession, and (3) development of analytical tools/techniques to respond to new legislative requirements (Trade Act of 2002).
 - (3) Two semi-annual reviews of website and revisions completed.

Performance Indicators²

- a. Numbers of self-initiated research articles, working papers, research notes, and presentations at professional meetings/conferences (OP).
- b. Number/type of enhancements in information management and analytical methods (OP).

¹ This strategy corresponds to General Objective 2 in the FY 2003 Performance Plan – Institute study initiatives in emerging areas/issues and General Objective 4 – Implement more effective ways, including electronic means, to conduct and disseminate research.

² The office shown in parentheses is the staff office responsible for measurement.

Research Initiatives

Self-initiated research work is highly dependent on, and tends to exhibit an inverse relationship to the level of other, higher priority investigative work such as formally requested research investigations and import injury investigations. Table 3-5 shows the trend in independent staff research over the past four years. Overall activity in FY 2003 exceeded the goal of 60 initiatives, and was 30 percent above the previous 4-year average. Self-initiated research is tied to Commission priorities, and often serves as a testing ground for new analytical techniques or an opportunity to collect data and information that will likely be used in future statutory work. A good example of self-initiated work that tested a new analytical approach was the 2003 Office of Economics' (EC) efforts to measure the economic effects of NTMs. This series of papers tested

the usefulness of a specific analytical approach and found that it was a promising technique that could potentially be used in the Commission's statutory research work.

Table 3-5: Self-initiated research, FY 1999-FY 2003

Item	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
IER articles	13	31	30	16	25
ITTR articles	8	9	11	10	6
Industry Summaries	9	5	5	3	6
Staff research papers	3	0	2	0	0
Working papers	6	6	10	12	7
Research notes	4	2	3	0	0
Formal Staff presentations	19	14	56	37	42
Total	62	67	117	78	86

Source: Office of Operations.

Research Enhancements

The FY 2002 and 2003 Performance Plans introduced this new general objective for Operation 3. The Commission has taken steps to enhance information management and analytical methods during recent years. For example, in the area of information distribution the Commission utilized a special web page to help organize an Asian Pacific Economic Cooperation (APEC) conference on Non Tariff Measures. Through the web page conference participants from countries around the world could submit papers for consideration and conference organizers from the U.S., Australia, Europe, and Asia could review and discuss conference developments. Researchers interested in the conference material can access conference papers easily and continue to contribute to the dialogue on measuring NTMs.

The Commission continues exploring ways to provide recurring reports in a more timely manner through the website; an example is the monthly and quarterly on-line updates on U.S.-Sub-Saharan Africa trade flows requested by the USTR. The agency is exploring other recurring reports that can follow this model. Also, the Commission continues using CD-ROM distribution of some reports, both as a cost-saving measure and to meet public interest in this medium. Moreover, the agency already posts all of its non-confidential studies and investigations on the ITC website, which provides the public with instant access to Commission research. The new version of EDIS is facilitating submission of information to the Commission during formal investigations and enabling the public to view case-related information more easily.

In FY 2003 the Commission completed preliminary research on measuring the economic effects of selected NTMs. This work was presented in early FY 2004 at the APEC conference that the Commission helped organize.

In order to improve analytical methods, the Commission continued to enhance its economic modeling capabilities on a number of fronts. In particular, the Office of Economics developed a new economy-wide model of the United States that will be used in many aspects of Commission research. Also, an economy-wide model of the Russian economy was integrated into the Global Trade Analysis Project database allowing a large number of academics and other researchers to conduct analysis on the Russian economy. Another area of progress in 2003 was the development of analytical tools and techniques to respond to new legislative requirements (Trade Act of 2002). Systematic sensitivity analysis will be provided on key economic parameters in Commission models, and approaches were developed to assess the potential economic effects in policy areas with greater inherent uncertainty, such as services.

The principal research offices in the Commission, Economics and Industries, have reviewed research-related components of the Commission website and initiated efforts to improve their content and accessibility. In particular, as a result of this review, the recent reorganization in the CIO's office, and the hiring of a new full time webmaster, a redesign of the Commission website is underway that will specifically cover the Commission's Research Program, assisting users through the many aspects of that program.

Operation 4: Trade Information Services

The Commission maintains an extensive repository of trade, tariff, and related data and expertise. Drawing on these resources, it provides trade information services relating to U.S. international trade and competitiveness to executive branch agencies and the Congress, other governmental organizations, and the public. Trade information services include such activities as production and maintenance of the Harmonized Tariff Schedule (HTS), the on-line, interactive Tariff and Trade DataWeb, and preparation of legislative reports for Congress. Other trade information services requiring Commission resources include contributions to the development of the International Trade Data System (ITDS), maintenance of U.S. commitments under Schedule XX of the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO), maintenance of the electronic version of the U.S. Schedule of Services Commitments under the General Agreement on Trade in Services (GATS), preparation of the electronic database that supports U.S. submissions to the WTO Integrated Database, and related information gathering, processing, and dissemination activities. The Director of the Office of Tariff Affairs and Trade Agreements currently serves as the chairman of the ITDS Board and is active in interagency efforts to streamline the preparation of data for international fora.

The Commission's Strategic Plan establishes the following general goal for this operation:

Provide effective technical expertise and advice on the implementation of trade policy and related administrative decisions; enhance the availability of high-quality international trade information to the Executive and Legislative Branches, as well as the broader trade community and the public; and increase the use of such information by customers.

Actual expenditures for Operation 4 amounted to \$3.1 million in FY 2003. The Commission estimates that it will obligate \$3.5 million in FY 2004. Performance results for Operation 4 are discussed in detail below.

FY 2003 Performance

The Commission established two strategies and corresponding annual performance goals for this operation in the current Strategic Plan. In FY 2003, the Commission made significant progress in improving the utility

and dissemination of agency trade and tariff information services. However, although informal feedback regarding these services continued to be positive, more formal efforts to collect feedback from the Commission's principal customers were deferred until FY 2004. Specific results are discussed below.

Strategy 1: Increase the utility and improve the dissemination of ITC trade and tariff information services to customers¹

FY 2003 Performance Goals

- a.
 - (1) 5% increase in number of Trade DataWeb sessions.
 - (2) 5% increase in number of Tariff Database sessions.
- b.
 - (1) Modernization of data and tariff publication processes underway.
 - (2) Two semi-annual reviews of Operation 4-related website components and revisions completed.
 - (3) Establish baseline for user feedback regarding main website.

Performance Indicators²

- a. Level of use, as appropriate:
 - (1) Trade DataWeb
 - (2) Tariff Database (OP)
- b.
 - (1) More effective information management methods adopted (TATA).
 - (2) Review of website and revision of content as appropriate (TATA).
 - (3) Results of feedback from users of ITC's main website (IND).

¹ This strategy generally corresponds to General Objective 1 in the FY 2003 Performance Plan – Increase utility of ITC trade information services to customers and General Objective 3 – Implement more effective ways, including electronic means, to gather and disseminate information.

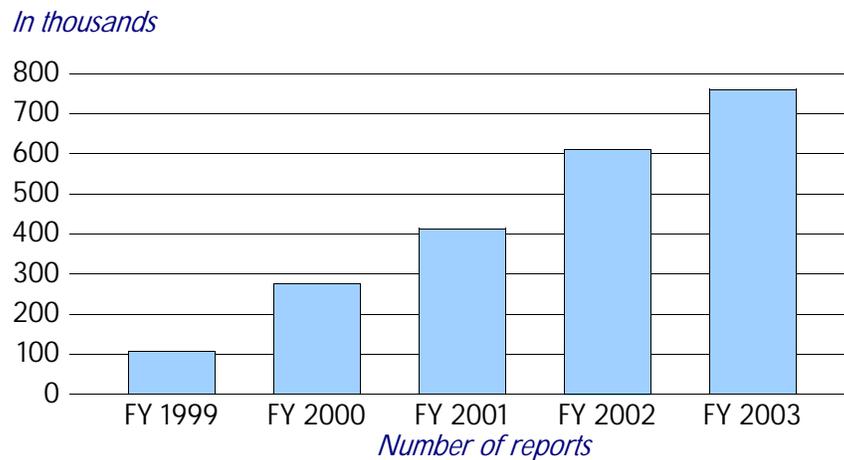
² The offices shown in parentheses are the staff offices responsible for measurement.

In FY 1999, the Commission established baseline statistics for usage of various types of nomenclature expertise and trade information. Generally, FY 2000 usage levels were above those for FY 1999, FY 2001 levels were similar to or above those achieved in FY 2000, and FY 2002 and FY2003 levels generally exceeded those of the previous year when all tools are taken into account. The Commission also continued to make progress in the area of information management automation.

ITC Trade DataWeb

The Commission provided the DataWeb to the public as a pilot project midway through FY 1999. The DataWeb was opened to the general public as a permanent public service of the ITC on June 1, 2001. Usage by non-ITC users in FY 2001 increased by about 50 percent over the level achieved in FY 2000. In FY 2002, usage increased by 48 percent over FY 2001 levels; and in FY 2003 usage increased another 25 percent (figure 4-1). During 1999-2003, non-government usage accounted for approximately 83 percent of the non-ITC data reports generated (figure 4-2). The USITC DataWeb has been recommended as a “key research tool” by the Harvard Business School on its website.¹⁰ In addition to business and government, the DataWeb was utilized by a wide range of publications during the year, including the *Wall Street Journal* and the *New York Times*.

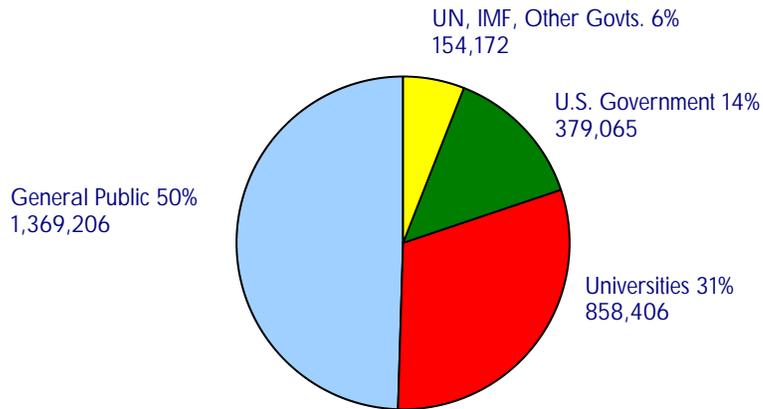
Figure 4-1: FY 1999-FY 2003 DataWeb reports to non-ITC users



Source: Office of Operations

¹⁰ See, <http://hbsworkingknowledge.hbs.edu/topics/notebook/>.

Figure 4-2: Distribution of DataWeb reports to non-ITC users, FY 1999-FY 2003



Source: Office of Operations

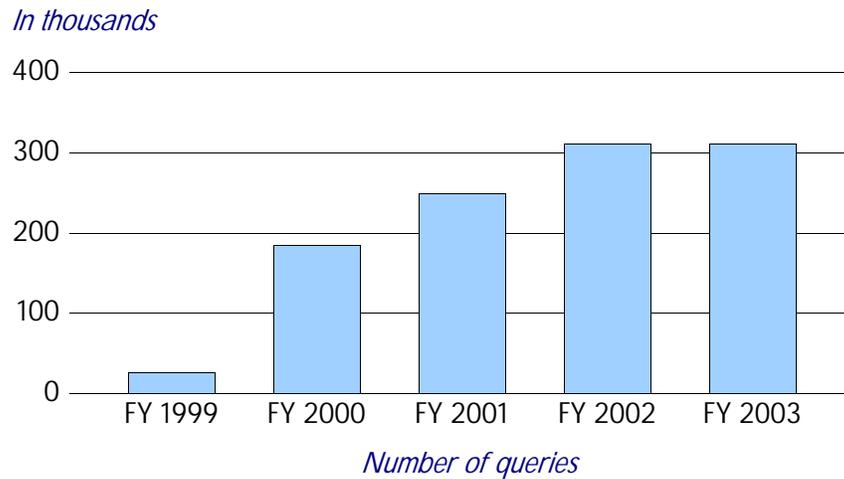
ITC Tariff Database

The Commission provided the ITC Tariff database to the general public on a fully functional basis midway through FY 1999.¹¹ As shown below in figure 4-3, usage increased by roughly 35 percent in FY 2001 compared to FY 2000, and by 24 percent in FY 2002 compared to FY 2001.¹² Usage remained about the same in 2003 as other products, such as the Harmonized Tariff Schedule of the United States Amended (HTSA) Online by Chapter (which shows the full legal text) gained in popularity. Also, during FY 2003 an online program called “Quick Lookup for Tariff Programs” was introduced for the public. This site displays tariff preference programs and countries eligible by program and HTS item.

¹¹ The ITC Tariff Database was in fully functional public operation throughout the final 6 months of FY 1999.

¹² The ITC Tariff Database usage estimates for FY 2001 are based on actual counts by a new computer program for August and September of FY 2001 of 21,230 lookups by non-ITC users per month. This underestimates the total somewhat as usage during the first few months of a tariff year is higher.

Figure 4-3: Estimated tariff data queries by non-ITC users



Source: Office of Operations

Improvements in information dissemination

This general objective was established in the fourth edition (FYs 2001 - 2006) of the Strategic Plan at the end of FY 2001. Formal goals in this area were established beginning with FY 2002, but the Commission already had made progress over the past few years in providing various types of information to the public via its website. During FY 2001, the HTSA Online by Chapter was made more accessible to the public and more timely. The site displays the full legal text of the tariff schedules and is updated within two days of Presidential or Congressional changes.

Immediacy of access to the up-to-date HTSA Online benefits the Customs Service and the trade community in general. It is viewable, searchable, and downloadable. In addition, TATA established an electronic database that summarizes information provided in the Commission's reports on miscellaneous tariff bills in response to requests from Congressional staff. The database is revised periodically and provided to Congressional committee staff as significant updates occur. The Commission continued both efforts in FY 2003.

In addition, the Commission has established an electronic means for converting the text of the HTSA from a word processing format to a table format. This new tool facilitates the presentation of the tariff in database format and is of great benefit to the Commission and the Customs Service in updating files and building sophisticated websites for interactive use of tariff information online by the trade and the general public.

Several reviews of the website were undertaken during FY 2003, as the HTSA was revised. These reviews resulted in several revisions to the TATA page, as well as to the DataWeb. Trade data on the DataWeb website are updated monthly and further revisions are undertaken as the need arises. As mentioned in previous sections of this report, the Commission is in the process of reorganizing its IT functions. Under the direction of the Commission's new webmaster, the agency is redesigning its website. As a result, efforts to begin formal tracking of web feedback were deferred until the web redesign is largely completed.

Strategy 2: Provide timely, effective, and responsive nomenclature and similar technical services to customers.¹

FY 2003 Performance Goal

95% positive results from focus group discussions with Congress and the Administration.

Performance Indicator²

Results of focus group discussions (TATA/ER).

¹ This strategy corresponds to General Objective 2 in the FY 2003 Performance Plan – Provide timely, effective, and responsive nomenclature and similar technical services to Congress and the Administration.

² The offices shown in parentheses are the staff offices responsible for measurement.

In FY 1999, the Office of External Relations (ER) developed a list of interagency committees, Congressional committees and international organizations where participation by Commission staff would be appropriate. ER also developed and continues to maintain a log to track such participation.

In FY 2000, the Commission began the practice of conducting formal focus group discussions with Congressional and USTR staff. Given periodic changes in Administration and Congressional leadership, as well as normal staff turnover, the focus group sessions were to be held at least annually. In FY 2000, Commission representatives from ER, TATA, and OP met with Congressional committees (Senate Committee on Finance and House Committee on Ways and Means) and with USTR on separate occasions. In general, the Commission received positive feedback from both these key customers concerning its contributions to tariff legislation and trade negotiation activities at the WTO. In particular, USTR was appreciative of the Commission's efforts in providing trade

data and maintaining the U.S. schedule of tariff concessions (Schedule XX) in support of WTO activities.

Although it was not possible to schedule formal focus group discussions during FY 2001, Commission representatives from TATA did meet with staff from the House Committee on Ways and Means to coordinate the process for Commission preparation of miscellaneous bill reports.

In FY 2002, Commission representatives from TATA and ER held focus group meetings with Congressional committees and separately with USTR. In general, the Commission received positive feedback from both these key customers concerning its contributions to tariff legislation and trade negotiation activities at the WTO. During FY 2002, the Commission provided technical support to Congressional offices in preparing proposed bills; prepared comments on 689 miscellaneous tariff bills (which were submitted on a flow basis to the Congress, either in the form of Commission approved reports or in matrix spreadsheet form); and performed a thorough technical review of the omnibus packages for both the House and the Senate. In the focus group meeting, USTR indicated appreciation of the Commission's efforts in (i) providing trade data and maintaining the U.S. schedule of tariff concessions (Schedule XX) in support of WTO activities and (ii) preparation of draft annexes for Presidential Proclamations, particularly with regard to steel imports.

During FY 2003, it was not possible to schedule formal focus group meetings with senior Congressional Committee staff or USTR staff as a result of scheduling conflicts. However, in FY 2003, the Commission provided technical support to Congressional offices in preparing proposed bills. Commission staff monitored the progress of the pending Omnibus Miscellaneous Tariff bill and did not prepare technical reports on some 50 new individual tariff bills that were introduced during calendar year 2003, because the products covered by many of those bills were already provided for in the Omnibus bill.

Operation 5: Trade Policy Support

The Commission supports trade policymakers in the Executive Branch and in the Congress by providing technical expertise and objective information on international trade issues. It offers technical advice in the form of research, drafting legislation, conducting informal briefings and meetings, testifying at congressional hearings, and support to USTR in WTO litigation and other activities. The Commission maintains the capability to conduct “quick response” research and analyses for the Congress and the Executive Branch on trade issues in the form of staff-to-staff assistance. Commission staff also draft Presidential proclamations and other Presidential documents (e.g., Executive orders and Presidential memoranda), as well as final decisions by various Executive Branch agencies that modify the HTS to implement Congressional legislation or trade policy decisions by the Executive Branch. This activity also encompasses support for U.S. trade policy formulation and U.S. representation in international fora, and includes formal details of staff to other agencies.

The Commission’s Strategic Plan establishes the following general goal for this operation:

Contribute to the development of sound and informed U.S. international trade policy by providing effective technical support and analysis to the Executive Branch in international trade negotiations, international trade dispute resolution proceedings, and other international trade fora and to the Legislative Branch through appropriate committees and subcommittees.

Actual expenditures for Operation 5 amounted to \$3.6 million in FY 2003. The Commission estimates that it will obligate around \$4.0 million in FY 2004. Performance results for FY 2003 are discussed in detail below.

FY 2003 Performance

The Commission established two strategies and corresponding annual performance goals for this operation. FY 2003 performance goals concerned establishing and maintaining close and effective contacts with the Commission’s customers and finding more effective ways to provide trade policy support. In FY 2003, the Commission exceeded one of its

performance goals for this operation, but fell short in other areas, as discussed below.

Strategy 1: Regularly contribute technical analysis to organizations involved in trade policy formulation where Commission participation is appropriate¹

FY 2003 Performance Goal

44 trade policy issue areas supported.

Performance Indicator²

Number of trade policy issue areas supported by ITC analysis (ER).

¹ This strategy corresponds to General Objective 1 in the FY 2003 Performance Plan – Regularly contribute technical analysis to organizations involved in trade policy formulation where Commission participation is appropriate.

² The office shown in parentheses is the staff office responsible for measurement.

In FY 1999, ER developed a list of interagency committees, congressional committees, and international organizations where participation by Commission staff would be appropriate. ER also developed and continues to maintain a log to track such participation.

ER collects data on a quarterly basis from each staff office providing assistance to USTR or the Congress. The data are compiled into quarterly reports that are provided to the Commissioners and senior staff at the Commission. The quarterly reports provide information on the type and focus of assistance, the recipient of the assistance, and the amount of time expended.

Over the past five fiscal years, these reports indicate an increasing level of participation by Commission staff in terms of the range and complexities of the issues addressed. The Commission provided technical advice and assistance to USTR, interagency committees, and international organizations in 65 different issue areas in FY 2003 (as compared to approximately 60 issue areas in FY 2002 and 45 in FY 2001). The bulk of participation (in terms of workdays) was focused on WTO dispute settlement and litigation issues, FTAA negotiations, Andean Trade Preference Act activities, five Free Trade Agreement negotiations, WTO services negotiations, WTO/domestic safeguards issues, and issues relating to the monitoring and enforcement of trade agreements.

Staff provided technical advice and assistance to Congressional committees in about 20 issue areas in FY 2003 (about the same number of issues addressed in FYs 2001 and 2002). Assistance included various regional issues, such as trade liberalization with Africa, China, and the Andean and Caribbean regions, as well as pending free trade agreements, including Singapore, Chile, Morocco, Dominican Republic, Australia, Bahrain, Central America and the Southern Africa Customs Union. Staff also provided assistance on sectoral issues, such as steel, forest products, fisheries products (e.g., catfish, salmon, shrimp and tuna), wheat, and textiles and apparel. The largest concentration of assistance was in responding to congressional correspondence and inquiries, addressing requests for data and analysis pertaining to various legislation such as the Andean Trade Preference Act, and diverse sectoral issues. In addition, Members of Congress made 64 appearances and there were 4 appearances by various state officials at Commission hearings in connection with a variety of investigations.

Strategy 2: Provide effective trade policy support to customers¹

FY 2003 Performance Goals

- a.
 - (1) Appropriate revisions implemented based on results of annual review.
 - (2) Coordinate with USTR to enhance information systems handling National Security Information.
- b. 95 % positive results.

Performance Indicators²

- a. Results of review of mechanisms for providing support, including review of Website content (ER).
- b. Results of focus group discussions (ER).

¹ This strategy generally corresponds to General Objective 2 in the FY 2003 Performance Plan – Obtain customer satisfaction as measured by feedback from USTR/Congress/other agencies and organizations and focus group discussions and General Objective 3 – Implement more effective ways, including electronic means, to provide trade policy support.

² The office shown in parentheses is the staff office responsible for measurement.

The FY 2002 and 2003 Performance Plans introduced the general objective of implementing more effective ways to provide trade policy support. In FY 2002, efforts were made to provide technical assistance through electronic means, such as e-mail, electronic databases, or CD-ROMs. The Commission continued this practice in FY 2003. During FY 2003, cooperative efforts were undertaken for the sharing of National Security Information (NSI) and facilitating Commission staff access to

USTR's secure website. In addition, during FY 2002, Commission staff met with staff at USTR to review the specifications for the Commission's new computer network in terms of NSI issues. The system was implemented during FY 2003. During the implementation phase there was no need for additional meetings with USTR.

Focus group discussions

In FY 2000, ER arranged for Commission senior staff members to engage in focus group sessions with senior staffers from both USTR and the Hill. These sessions were most productive and gave senior managers an opportunity to better understand the needs of the agency's customers and obtain their thoughts on future requests for assistance. The sessions also gave the Commission's customers a better picture of the implications of some of their requests on Commission resources and the need for close staff coordination to attain mutual goals.

Because of the press of business at the Commission, USTR, and on the Hill in the last quarter of FY 2001, ER was unable to coordinate the schedules of a sufficient number of senior-level participants to warrant focus group discussions. However, senior staff from ER, GC, ID, and EC had frequent meetings and telephone contacts with their counterparts at USTR and on the Hill throughout the year. These contacts allowed ITC managers to obtain direct feedback from customers on ongoing work as well as discuss new areas of possible inquiry.

In FY 2002, two focus group sessions were held with senior staff at USTR. Both sessions were well attended and provided very positive feedback on the Commission's efforts over the year. Senior staff were able to exchange views on the best techniques for rapidly responding to customers' needs and received useful insights on upcoming issues of importance to USTR's managers. A successful session was also conducted with staff of the House Ways and Means Committee and the Senate Finance Committee. Once again the feedback was generally positive and the exchange of information beneficial to all participants. In addition to the focus group sessions, senior staff from ER, OP, GC, ID, and EC had frequent meetings and telephone contacts with their counterparts at USTR and on the Hill throughout the year. These contacts allowed ITC managers to obtain direct feedback from customers on ongoing work as well as discuss new areas of possible inquiry.

ER was unable to coordinate the schedules of a sufficient number of senior-level participants to warrant focus group discussions during FY 2003. However, senior staff from ER, GC, ID, and EC continued to have

meetings and telephone contacts with their counterparts at USTR and on the Hill throughout the year. These discussions provide direct feedback on ongoing work, as well as information regarding new areas of possible inquiry, to ITC managers. The Commission is currently evaluating whether to hold formal focus group meetings annually or on a biennial basis.

APPENDIX A

Commission Organization

The following describes the organization of the Commission (see figure A below for the Commission's organizational structure). The six Commissioners are appointed by the President and confirmed by the Senate for terms of nine years, unless appointed to fill an unexpired term. A Commissioner who has served for more than five years is ineligible for reappointment. No more than three Commissioners may be members of the same political party. The Chairman and the Vice Chairman are designated by the President and serve for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may two Commissioners of the same political party serve as the Chairman and the Vice Chairman. The FY 2003 approved staffing level for the Commissioner offices was 31 full time equivalents (FTEs).

Office of Operations

The Commission's core of investigative, industry, economic, nomenclature, and technical expertise is found within the Office of Operations. Under the supervision of the Director, staff in the component offices in Operations are largely responsible for all statutory investigations, studies, and special work projects assigned by the Commission. In FY 2003, as part of a realignment of its IT services, the Commission's main library, the National Library of International Trade, was shifted from the Office of Information Services to the Office of the Director of Operations. The FY 2003 approved staffing level for the Director's office was 14 FTEs.

Office of Economics

The Office of Economics provides expert economic analysis for various types of import injury investigations (Operation 1), and studies requested by Congress and the President under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, section 2104 of the Trade Act of 2002, as well as various other research products (Operation 3). In addition, staff economists provide technical assistance to

Congress, USTR, other executive branch agencies, and the public (Operation 5). The FY 2003 approved staffing level for this office was 44 FTEs.

Office of Investigations

The Office of Investigations conducts the Commission's CVD, AD, and review investigations under title VII of the Tariff Act of 1930; escape clause and market disruption investigations under the Trade Act of 1974; investigations under section 302 of the North American Free Trade Agreement Implementation Act of 1994; and investigations under section 22 of the Agricultural Adjustment Act. These activities fall under the Commission's Operation 1 (import injury investigations). In the first quarter of FY 2003, the Statistical Services Division of the Office of Information Services was shifted to this office. This brought the staffing level of this office up to 36 FTEs.

Office of Industries

The Office of Industries maintains technical expertise related to the performance and global competitiveness of U.S. industries and the impact of international trade on those industries. International trade analysts in the office produce studies on a range of issues each year. Investigative activity includes various types of import injury investigations (Operation 1), studies requested by the President or specific Committees of the Congress under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, and section 2104 of the Trade Act of 2002 (Operation 3), as well as other monitoring and research activity (Operations 3 and 4). In addition, analysts provide technical assistance to Congress, USTR, other executive branch agencies, and the public (Operation 5). The FY 2003 approved staffing level for this office was 111.5 FTEs.

Office of Tariff Affairs and Trade Agreements

The Office of Tariff Affairs and Trade Agreements (TATA) carries out the Commission's responsibilities with respect to the Harmonized Tariff Schedule of the United States (HTS) and the international Harmonized System (HS). TATA staff also work with the Office of Industries to prepare bill reports requested by Congress pertaining to proposed tariff reductions and duty suspensions for specific products. The office provides technical advice and assistance to Congress and USTR and participates in interagency Trade Policy Staff Committee activities. The

office participates in the World Customs Organization and TATA's Director chairs both the Committee for Statistical Annotation of the Tariff Schedule and the Board of Directors of the International Trade Data System (ITDS). The various activities of this office generally fall under Operations 4 and 5. The FY 2003 approved staffing level for this office was 14 FTEs.

Office of Unfair Import Investigations

The Office of Unfair Import Investigations (OUII) participates as a full party representing the public interest in adjudicatory investigations conducted under section 337 of the Tariff Act of 1930. These investigations most frequently involve allegations of patent or trademark infringement. Allegations of copyright infringement, misappropriation of trade secrets, passing off, false advertising, and antitrust violations also can be litigated in these investigations. In addition to the investigation of a complaint under section 337, the Commission may conduct an enforcement proceeding to determine whether the importation or sale of a specific product violates an existing Commission order. The Commission may also issue advisory opinions regarding whether certain anticipated conduct would violate an outstanding Commission order. The activities of this office correspond to the Commission's strategic Operation 2 (Intellectual property-based import investigations). The FY 2003 approved staffing level for this office was 15 FTEs.

Office of the General Counsel

The General Counsel serves as the Commission's chief legal advisor. The General Counsel and the staff attorneys in the office provide legal advice and support to the Commissioners and Commission staff on investigations and research studies, prepare briefs and represent the Commission in court and before dispute resolution panels and administrative tribunals, and provide assistance and advice on general administrative matters, including personnel, labor relations, and contract issues. The work of the office falls under all of the Commission's strategic operations. The FY 2003 approved staffing level for this office was 42 FTEs.

Office of External Relations

The Office of External Relations develops and maintains liaison between the Commission and its diverse external customers. The office is the focal

point for contacts with USTR and other executive branch agencies, Congress, foreign governments, international organizations, the public, and the international, national, and local news media. It also coordinates meetings with international visitors. External Relations keeps Commissioners and senior Commission staff informed of developing issues that might affect the agency's mission and reputation, coordinates Presidential requests for advice and information on trade issues, and manages interactions between the Commission and the international trade community. The Commission's Trade Remedy Assistance Office is a component of External Relations that assists small businesses seeking benefits or relief under U.S. trade laws. The activities of this office support all of the Commission's strategic operations, especially 4 and 5. The FY 2003 approved staffing level for this office was 6 FTEs.

Office of the Administrative Law Judges

The Commission's Administrative Law Judges (ALJs) hold hearings and make initial determinations in investigations under section 337 of the Tariff Act of 1930. These investigations require formal evidentiary hearings in accordance with the Administrative Procedure Act (5 U.S.C. §551 et seq.). After the Commission has instituted an investigation, the matter is referred to the Office of the Administrative Law Judges. Cases are assigned on a rotating bases to one of the Commission's four ALJs, who, after an extensive discovery process, holds a hearing. The judge considers the evidentiary record and the arguments of the parties and makes an initial determination, including findings of fact and conclusions of law. Temporary relief may be granted in certain cases. The activities of this office correspond to Operation 2. The FY 2003 approved staffing level for this office was 13 FTEs.

Office of the Chief Information Officer

In FY 2003, the Commission realigned its information technology functions and consolidated its IT services under the direction of the CIO. In addition, the Office of the CIO provides oversight to three subordinate offices: the Office of the Secretary, the Office of Publishing, and the Office of Information Services. The Office of the Secretary maintains the Commission's official records; issues Commission notices, reports and orders; schedules and participates in all Commission meetings and hearings; and manages EDIS. The Office of Publishing oversees the

Commission's publishing activities, produces all Commission publications, manages the website, and provides scanning services for EDIS. The Office of Information Services administers all computer, telecommunications, and database services. The FY 2003 approved staffing level for the Office of the CIO was 46 FTEs.

Office of Administration

The Office of Administration is responsible for the preparation and execution of the Commission's budget and management of the Commission's internal administrative rules. In addition, the Office of Administration provides oversight to three subordinate offices: the Office of Finance, the Office of Human Resources, and the Office of Facilities Management. The Office of Finance maintains the Commission's financial information system and its payroll functions. The Office of Human Resources manages the Commission's recruitment, training, and personnel management operations. The Office of Facilities Management directs and coordinates administrative support services, building management, and procurement activities. The FY 2003 approved staffing level for the Office of Administration was 26 FTEs.

Office of Equal Employment Opportunity

The Office of Equal Employment Opportunity (EEO) administers the Commission affirmative action program. The Director advises the Chairman and Commission managers on all equal employment issues; evaluates the sufficiency of the agency's EEO program and recommends improvements or corrections, including remedial and disciplinary action; establishes and maintains a diversity outreach program; and monitors recruitment activities to assure fairness in agency hiring practices. The FY 2003 approved staffing level for this office was 1 FTE.

Office of Inspector General

The Inspector General conducts audits and investigations related to Commission programs and operations and recommends and comments on proposed legislation, regulations, and procedures that affect the agency's efficiency and effectiveness. The accomplishments of the Inspector General are detailed in semiannual reports submitted to Congress in May and November. The FY 2003 approved staffing level for this office was 4 FTEs.

Figure A U.S. International Trade Commission

